

ORIGINAL

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EX PARTE OR LATE FILED

USWEST

Elridge A. Stafford
Executive Director-
Federal Regulatory

EX PARTE

July 8, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 - 12th Street, SW, TW-A325
Washington, DC 20554

RECEIVED

JUL 8 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Number Resource Optimization, CC Docket No. 99-200
Petition for Declaratory Ruling on the July 15, 1997 Order of the
Pennsylvania Public Utility Commission, CC Docket No. 96-98
Telephone Number Portability, CC Docket No. 95-116

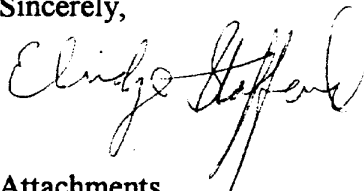
Dear Ms. Salas:

On July 7, 1999, Kevin Saville, Mike Whaley, and the undersigned, on behalf of U S WEST, met with Blaise Scinto, Jared Carlson, Patrick Forster, and Tejal Mehta of the Common Carrier Bureau Network Services Division. The purpose of this meeting was to discuss matters related to the Minnesota Public Utilities Commission area code relief plan for the Twin Cities metropolitan area. Attached are copies of handouts and other documents that were utilized at this meeting

In accordance with Section 1.1206(a)(2) of the Commission's rules, an original and five copies of this letter and attachments are being filed with your office for inclusion in the public record. Acknowledgment and date of receipt of this submission are requested. A duplicate of this letter is attached for this purpose.

Please call if you have any questions on this matter.

Sincerely,



Attachments

cc: Jared Carlson
Patrick Forster
Tejal Mehta
Blaise Scinto

U S WEST

Minnesota “612” NPA Relief Plan

CC Docket No. 96-98

CC Docket No. 99-200

CC Docket No. 95-116

Kevin Saville

Elridge Stafford

Mike Whaley

July 7, 1999

History of Minnesota “612” NPA Relief Efforts

- August 23, 1995 -- Minnesota Public Utilities Commission (MPUC) issued order geographically splitting the “612” NPA into two area codes. Under this relief plan, the Twin Cities metropolitan calling area retained the “612” NPA and most of the remaining exchanges were assigned the “320” NPA. Mandatory dialing was implemented on September 15, 1996.
- March 1997 -- U S WEST implemented rate center consolidation - consolidating 21 rate centers (wire centers) into the Twin Cities rate center.
- The population of the Twin Cities metro area is approximately 2.5 million.

Phase I - "612" NPA Relief Efforts

- November 23, 1997 -- the MPUC issued order geographically splitting the "612" NPA and the Twin Cities rate center: Minneapolis and western suburbs retained "612" and St. Paul and eastern suburbs were assigned "651" NPA.
- The geographic split was along municipal boundary lines instead of wire center boundaries.
- Three U S WEST wire centers were split, along with two Frontier Communications wire centers.
 - In "612/651" NPA split U S WEST transferred approximately 8,000 lines to new switches in order to retain their municipal identity.
 - 32 NXX codes were duplicated in both "612" and "651" NPA.
- The MPUC ordered all ILECs to consolidate contiguous rate centers and to return all unused NXX codes.
- MPUC prohibited carriers from porting TNs across NPA boundaries.

NXX Code Jeopardy Allocation

- November 25, 1997 -- the MPUC declared jeopardy status for “612” NPA and ordered an embargo of NXX codes and implementation of NXX code allocation plan.
- January 26, 1998 -- MPUC issued order approving allocation of five/six NXXs per month through January 1999 mandatory dialing for the “612/651” split.
- September 14, 1998 -- MPUC seeks to extend NXX jeopardy allocation plan in “612” NPA following implementation of Phase I “612/651” split and until Phase II split of “612” NPA.
- September 28, 1998 - FCC issued Pennsylvania order addressing, among other things, NXX code allocations.

Phase II - "612" NPA Relief Efforts

- December 15, 1998 -- MPUC issued order splitting "612" NPA again into two NPA's along municipal boundary lines. MPUC ordered continuation of NXX rationing plan in "612" NPA following implementation of "612/651" split.
- April 6, 1999 -- MPUC on reconsideration orders three-way split of "612" NPA: - Minneapolis and core area retain "612" - northwest suburbs receive one NPA - southwest suburbs receive another NPA.
- June 4, 1999 -- MPUC issued order on second reconsideration reaffirming three-way split which will result in four NPAs serving Twin Cities rate center:
 - Up to 50,000 lines are located in a municipality that is different from their current central office location.
 - Six U S WEST wire centers serving 55 NXXs will be split and will require immediate duplication.

Issues Raised in Phase II Proceeding

- **Industry Reached Consensus Supporting Overlay.**
- **NXX Jeopardy Allocation Plan** creates a competitive issue for new and existing providers who cannot be assured getting new NXX codes. A jeopardy code allocation plan has been in place in the “612” NPA since January 1998. Plan will remain in place until 2001.
- **LNP Concerns:** Number portability was implemented in the Twin Cities in July 1998 (the first MSA in U S WEST’s 14 state region). MPUC order restricts LNP to small geographic areas.
- **Excessive Use of NPAs:** Twin Cities metro has approximately 2.5 million residents. Twin Cities metro should not require 4 (potentially 5) NPAs area codes capable of servicing nearly 32 million TNs.

The MPUC Split Violates NPA Allocation Plan and Assignment Guidelines

- Section 9.2.2 of the NPA Relief Planning and Assignment Process provides that: **“The relief options shall cover a period of at least five years beyond the predicted date of exhaust. . .”**
- NANPA exhaust projections indicate that the “612” NPA in core Minneapolis area will only have 4.3 year life.
- MPUC will need to request another NPA to serve existing “612” NPA.

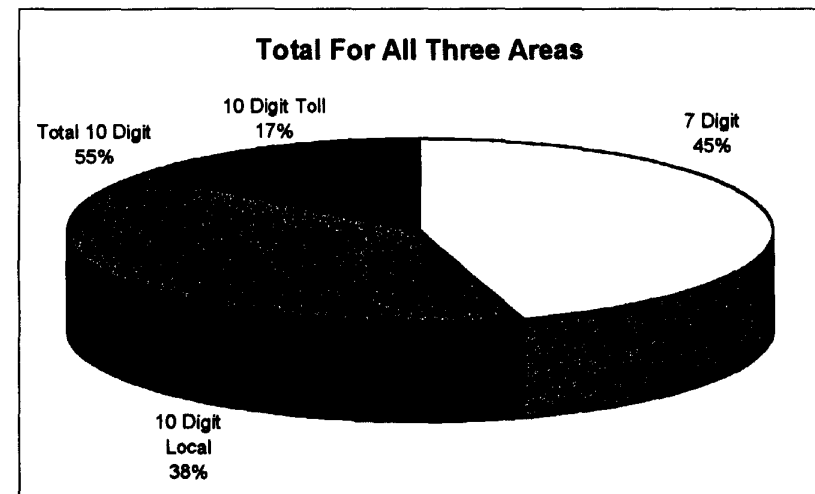
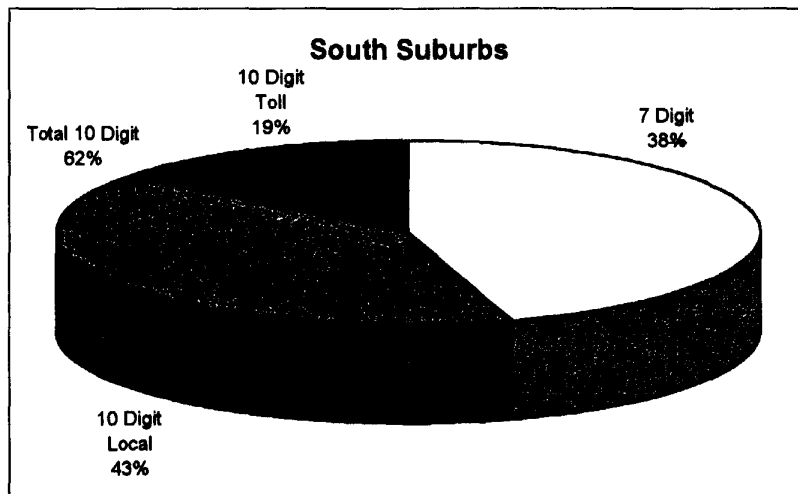
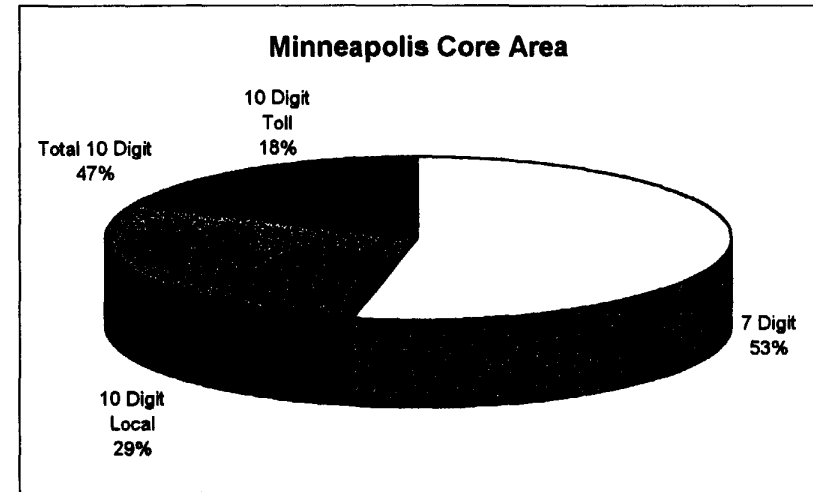
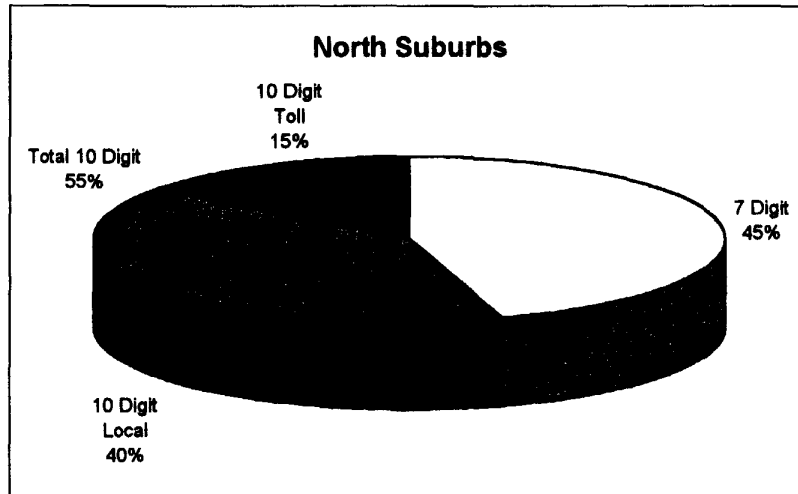
The MPUC Split Undermines the FCC's Number Conservation Efforts

- The Phase I geographic area code split implemented by the MPUC made it necessary for new service providers to use two NXX codes to serve the same customer base.
- The Phase II three-way split increased that number to four NXX codes. In other words, each existing and new service provider will be required to obtain four NXX codes to serve the Twin Cities market.
- Phase III - five NXX codes per service provider?
- There are over 50 CLECs and wireless providers certified to provide service in Minnesota. Even if a provider currently is not serving customers in both the "612" and the new NPAs, the provider will be quite likely to do so in the future and will need to obtain NXX codes in each NPA.

The MPUC Split Undermines the FCC's Number Conservation Efforts

- NANPA has estimated that over 100 NXXs will need to immediately be duplicated. This does not factor in wireless providers.
- The three-way split along municipal boundary lines will split six U S WEST wire centers. Fifty-five (55) NXXs have been assigned to U S WEST in these wire centers. Each of these NXXs will need to be immediately duplicated in the new NPAs served by the wire center to avoid customer TN changes.
- Customer TNs are distributed within the 55 duplicated NXXs in each NPA. If the FCC were to implement 1000 block number pooling, these NXXs have been contaminated and compromise the availability of 1000 block pooling.
- FCC Rule 52.13 (b)(1) states that the NANPA shall ensure “efficient and effective administration and assignment of numbering resources.” **Code duplication is an inefficient use of numbering resources because it forces carriers to be assigned resources unnecessarily, which accelerates NPA exhaust.**

7 and 10 Digit Dialing
Traffic Study
PUC 3-Way Split
(Tandem Traffic Assumed at 70% 10 Digit)



U S WEST Split Central Offices
PUC 3-Way Split

EXHIBIT 2

NPA	NXX	CLL Code	Wire Center	Rate Center	
612	285	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	285	IMPLSMNBERS1	IMPLS BEARD	TWIN CITIES	
612	836	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	915	IMPLSMNBERS1	IMPLS BEARD	TWIN CITIES	
612	915	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	920	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	922	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	924	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	925	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	926	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	927	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	928	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
612	929	IMPLSMNBE92E	IMPLS BEARD	TWIN CITIES	
	11				
612	287	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	302	IMPLSMNBBS1	IMPLS BRYANT	TWIN CITIES	
612	302	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	520	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	521	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	522	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	529	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	587	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	588	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
612	740	IMPLSMNBB52E	IMPLS BRYANT	TWIN CITIES	
	9				
612	706	IMPLSMNGE78E	IMPLS CNTRL AV	TWIN CITIES	
612	781	IMPLSMNGE78E	IMPLS CNTRL AV	TWIN CITIES	
612	782	IMPLSMNGE78E	IMPLS CNTRL AV	TWIN CITIES	
612	788	IMPLSMNGE78E	IMPLS CNTRL AV	TWIN CITIES	
612	789	IMPLSMNGE78E	IMPLS CNTRL AV	TWIN CITIES	
612	951	IMPLSMNGERSA	IMPLS CNTRL AV	TWIN CITIES	
	6				
612	374	IMPLSMNPEDS1	MPLS PENN AVE	TWIN CITIES	*
612	377	IMPLSMNPEDS1	MPLS PENN AVE	TWIN CITIES	*
612	381	IMPLSMNPEDS1	MPLS PENN AVE	TWIN CITIES	*
	3				
612	417	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	512	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	513	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	525	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	540	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	541	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	542	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	543	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	544	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	545	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	546	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	
612	591	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES	

U S WEST Split Central Offices
PUC 3-Way Split

EXHIBIT 2


612	593	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES
612	595	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES
612	764	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES
612	797	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES
612	847	GLVYMNORDSO	GOLDEN VLY	TWIN CITIES
612	954	GLVYMNORRSA	GOLDEN VLY	TWIN CITIES
612	954	GLVYMNDRSA	GOLDEN VLY	TWIN CITIES
	18			
612	249	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	404	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	449	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	473	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	475	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	476	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	742	WYZTMNWADSO	WAYZATA	TWIN CITIES
612	745	WYZTMNWADSO	WAYZATA	TWIN CITIES
	8			
Total	55			
* Customers are served by Penn central office in all three area codes. As a result, it may be necessary to duplicate codes in all three area codes.				

Twin Cities Phase 2 NPA Relief

The boundaries shown are approximate. For verification of unique addresses or locations, contact your local U S WEST representative.

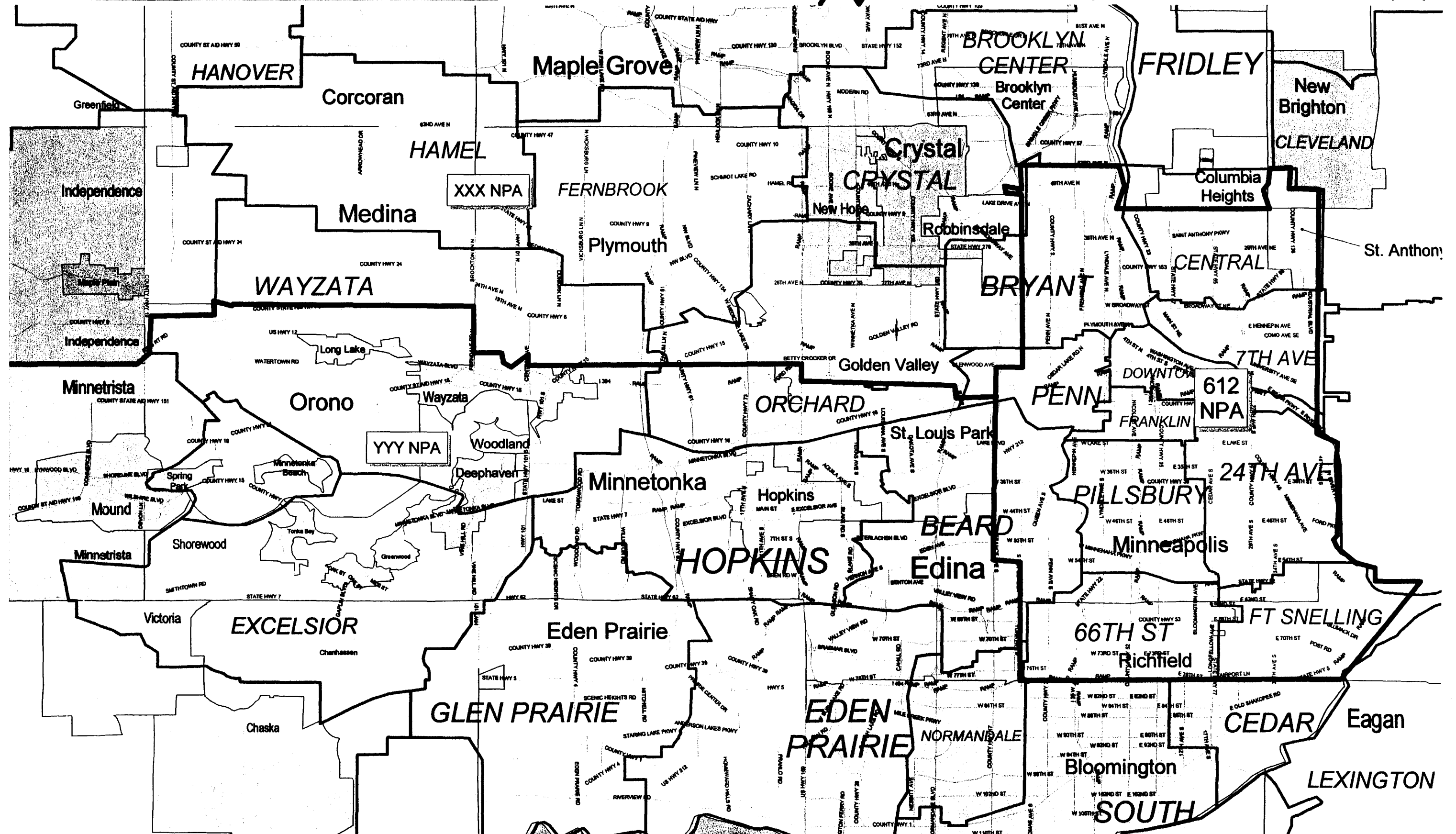
Major Highways
U S WEST Wire Centers
Phase 2 NPA Boundary

☐ U S WEST Wire Centers

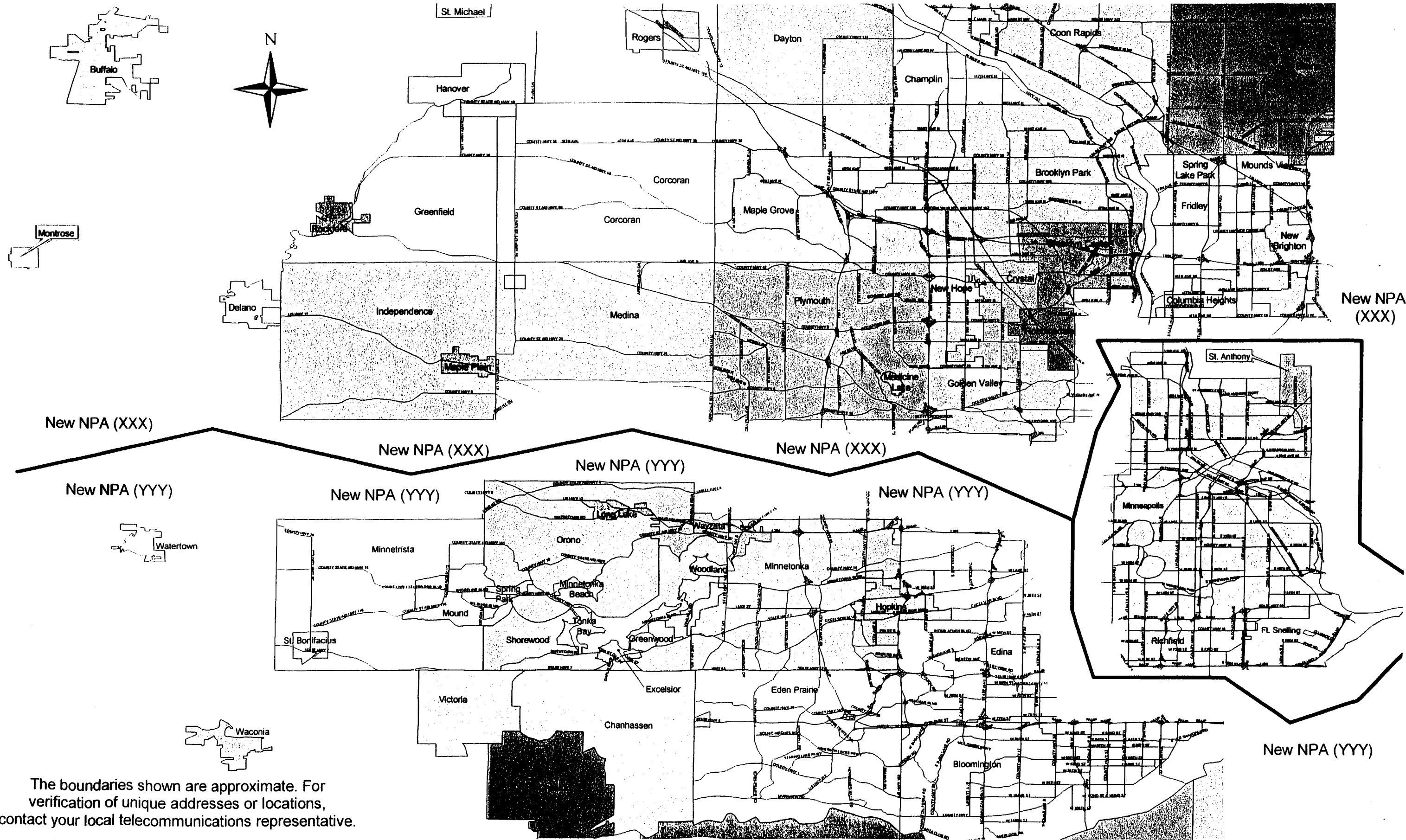


Phase 2 NPA Boundary

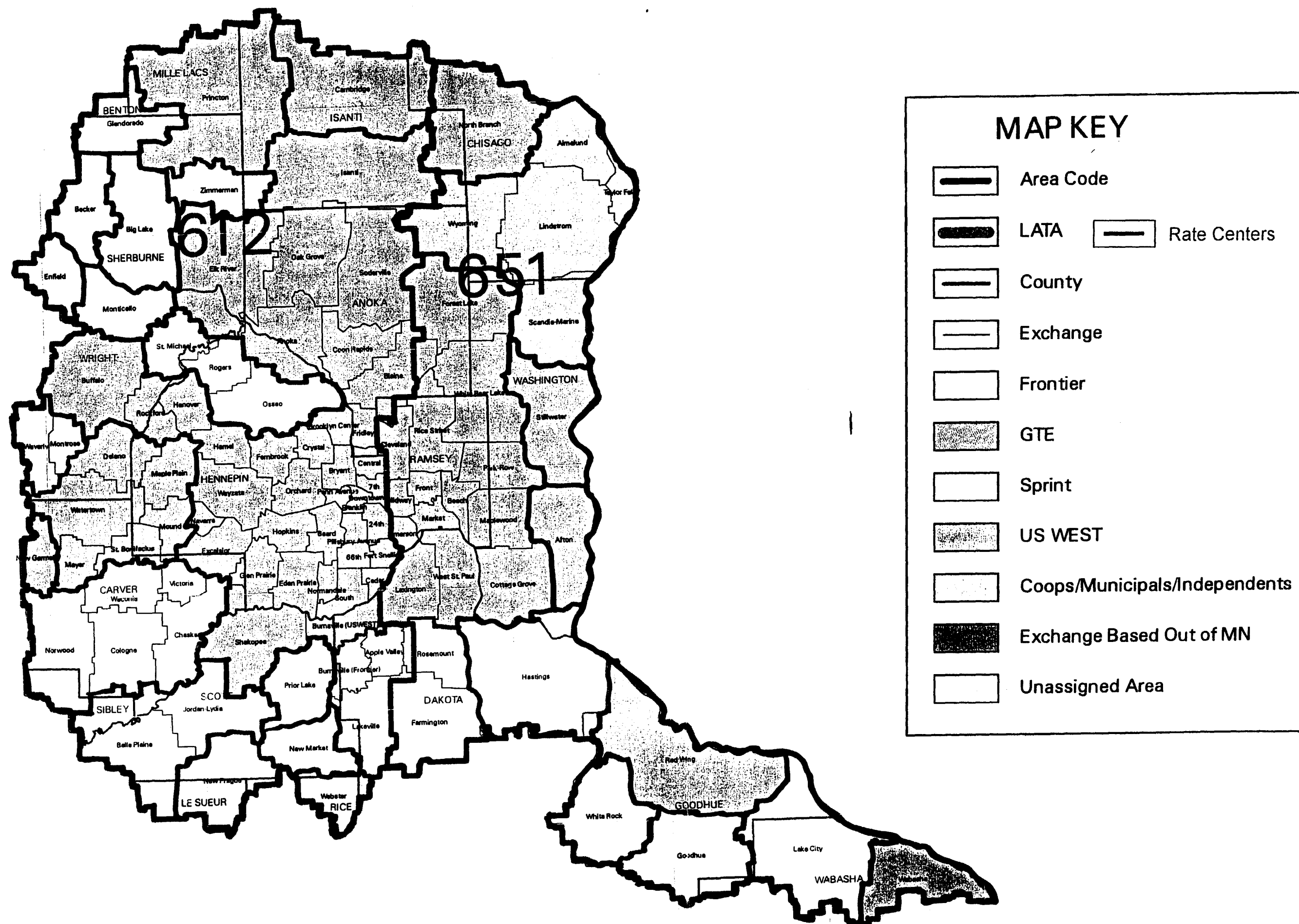
Jacob Barlow
May 24, 1999



612 Area Code Relief



The boundaries shown are approximate. For verification of unique addresses or locations, contact your local telecommunications representative.



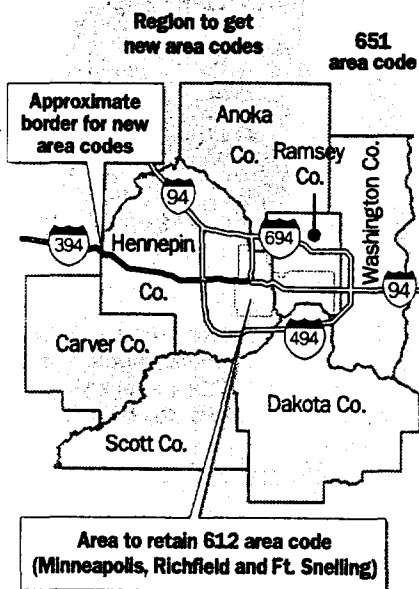
File Area Code

The Public Utilities Commission opted to proceed with its earlier plan to assign two new area codes to the western suburbs on either side of I-394.

PUC backs 2 new codes

Area code plan

Two area codes will be created for the western suburbs, while Minneapolis, Richfield and Fort Snelling will be allowed to keep the 612 area code. Consumers will see the change in codes beginning Feb. 15. The code plan was approved Wednesday by the Minnesota Public Utilities Commission. Code numbers for the western suburbs have not been assigned.



Source: Minnesota Public Utilities Commission

Star Tribune map

By Susan E. Peterson
Star Tribune Staff Writer

The western suburbs will get two new telephone area codes next Feb. 15 and Minneapolis will keep its 612 code, the Minnesota Public Utilities Commission reaffirmed Wednesday.

The PUC reconsidered its March 22 decision to split the west metro area into three area codes, but at the end of the day members chose to keep that plan.

Minneapolis, Richfield and Fort Snelling will continue to use the 612 area code. The remaining western suburbs will be divided roughly north and south of Interstate Hwy. 394 and get two new codes.

However, people in the 612 area code might have to deal with a new code when available numbers run out in five to eight years, depending on whose estimates are most accurate. The North American Numbering Plan Administration, which allocates area codes, projected that 612 numbers would be exhausted 4.2 years after the three-way split takes place. The Minnesota Department of Public Service estimated that with number conservation measures, 612 numbers could last until about 2007.

Daniel Gonos of the numbering administration said the organization has approved issuing two new codes for the Twin Cities area, enabling a three-way split rather than a two-way split between Minneapolis and the suburbs that had been considered earlier.

AREA CODES continues on A15:

— The rapid proliferation of cell phones, fax lines and Internet lines is causing the need for new phone numbers.

May 20, 1999 - St. Paul/Minneapolis

AREA CODES from A1

'952' reserved but not assigned; other number is not yet chosen

Suburban residents will have to wait awhile before learning their code numbers. Gonos said 952 has been reserved but not permanently assigned, and the other area code number has yet to be determined.

Need for more numbers

What's eating up all these phone numbers is the rapid proliferation of cell phones, fax lines and separate Internet lines. Another factor is increasing competition in the local telephone market, mostly among business customers. However, "number portability" — the ability of phone customers to take their phone numbers with them when they switch to a new provider — has lessened the need for new local phone competitors to gobble up big blocks of phone numbers.

PUC Chairman Edward Garvey had pushed for adoption of an overlay system, where west-metro businesses and residents would keep the 612 code and new users would be assigned a new area code. He argued that an overlay would be less costly to implement and more fair to telephone companies that compete with U S West, the primary local phone service provider in Minnesota. MCI WorldCom and Sprint Spectrum supported an overlay system.

U S West estimated that the three-way split along municipal boundaries would cost \$30 million to \$35 million, compared with about \$3.5 million for an

overlay system and less than \$5 million if it were allowed to split along phone-company "wire center" boundaries. That would mean that some suburbs would have two area codes.

Estimating the cost

Gregory Doyle of the Department of Public Service, which recommended a two-way or three-way geographic split, said that U S West had significantly overestimated the costs of the previous Minneapolis-St. Paul split into 612 and 651 codes. A U S West representative said that the company has better data to support the new estimate and that it is more confident of its accuracy. Whatever the eventual cost, the PUC will decide later whether the company, its customers or both will pay the costs.

Garvey and Commissioner Leroy Koppendrayner, who also supported an overlay, noted that while a major purpose of a geographic split is to minimize the number of calls requiring 10-digit dialing, an estimated 55 percent of calls made after the three-way split still would require 10 digits. An overlay would require 10-digit dialing for all calls. However, Koppendrayner's motion to adopt

an overlay was defeated on a 3-2 vote, the same margin as the March vote.

The PUC did authorize some fine-tuning of the earlier plan:

► Implementation will be delayed from Jan. 1 to Feb. 15 at the request of the phone companies, to avoid complications from potential Y2K problems. The "permissive dialing" grace period, when customers can continue to dial seven numbers, will extend

until January 2001.

► The headquarters campus of Carlson Companies Inc. straddles two suburbs (Plymouth and Minnetonka) and would be split by the area-code divide. The PUC decided to allow the company to use one area code.

► Alarm companies will get an extra 10 months of permissive dialing to give them enough time to reprogram their customers' equipment.

PIONEER PRESS

May 20, 1999

St. Paul/Minneapolis

With four metro area codes approved, is fifth in future?

MARTIN J. MOYLAN STAFF WRITER

The Minnesota Public Utilities Commission on Wednesday reaffirmed by a 3-2 vote its March decision to give the Twin Cities' western suburbs two new area codes while allowing Minneapolis to keep the 612 code.

That means the metropolitan area will have four area codes — with 32 million possible phone numbers — as of January 2001. But that may not be enough. The commission was warned that Minneapolis may need another area code as early as 2005.

"It could be earlier," said Kevin

Saville of US West. "Our experience has been that the (exhaust) projections are overly optimistic."

Under the plan endorsed Wednesday, western suburbs north of U.S. Highway 12 get 952 as their area code. Those to the south would get a yet-to-be-determined area code.

St. Paul and points east were assigned the 651 area code just this past January.

Business and residential customers are rapidly eating up phone numbers for additional lines, wireless phones, pagers, computer modems and other uses. But numbers are also distributed inefficiently, with many assigned numbers go-

ing unused.

US West argued that the PUC should overlay a second area code on the 612 area. That would have given west metro two area codes, requiring 10-digit dialing on all local calls.

The Baby Bell, AT&T, MCI and other phone companies contended an overlay would be simpler, more efficient and less expensive than a three-way split of west metro.

Commissioners Ed Garvey and LeRoy Koppendrayar backed an overlay. But the other three board members stuck with the three-way split previously approved.

US West estimated that follow-

ing municipal lines with the split will cost about \$30 million. That cost will be passed on to ratepayers.

The commission hopes number conservation efforts will delay — or end — the need for a fifth area code. Now, numbers are assigned in blocks of 10,000.

"The inefficient way we're using numbers is absolutely ridiculous," said Department of Public Service analyst Greg Doyle.

Martin J. Moylan, who covers technology and telecommunications, can be reached at mmoylan@pioneerpress.com, or (651) 228-5479

US West cited for service problems

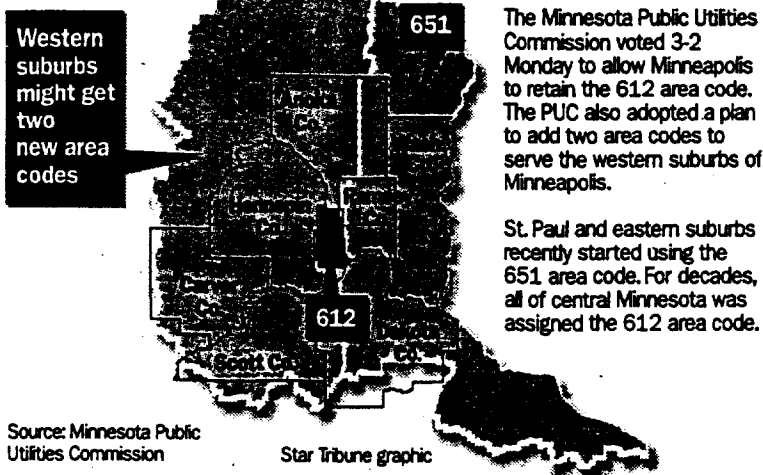
BLOOMBERG NEWS

US West Inc., the local phone company serving 14 states including Minnesota, may be ordered to cut rates or issue refunds for violating quality of service rules. Colorado's Public Utility Commission gave the Denver-based Baby Bell

DENVER

until June 9 to offer a plan for correcting the problems. The PUC said US West in 1998 failed to meet requirements that 85 percent of outages be repaired within 24 hours, that calls to business offices be answered within 60 seconds and that basic service be provided no later than 150 days from initial request.

Changes ahead



The Minnesota Public Utilities Commission voted 3-2 Monday to allow Minneapolis to retain the 612 area code. The PUC also adopted a plan to add two area codes to serve the western suburbs of Minneapolis.

St. Paul and eastern suburbs recently started using the 651 area code. For decades, all of central Minnesota was assigned the 612 area code.

PUC votes to split west suburbs into 2 new area codes

Plan, if approved, lets Minneapolis keep 612

By Donna Halvorsen
Star Tribune Staff Writer

The Minnesota Public Utilities Commission voted Monday to allow the city of Minneapolis to keep its 612 area code and to divide the city's western suburbs into two new codes.

But the plan, adopted on a 3-2 vote after two other plans failed by the same vote, is by no means final. There was no certainty that the PUC would be granted two new codes by the national agency that allocates codes, said Greg Doyle, rate analyst for the state Department of Public Service.

In addition, advocates of other plans probably will ask the commission to reconsider its decision.

But Commissioner Marshall Johnson, who proposed the so-called "three-way split" of Minneapolis and its suburbs, said it would take 17 to 18 years for the supply of phone numbers to run out under his plan. He argued that numbers would be exhausted more quickly under alternative plans.

AREA CODE continues on A8:
— The vote came after two other plans were rejected.

AREA CODE from A1

Decision comes after day-long hearing, votes on other plans

Johnson said he and other commissioners are trying to avoid having to take up the area code issue again in a few years. "That's very important — to get some finality to this situation," he said.

While some at a day-long hearing regarded Johnson's plan as new, he said it was not. "We've talked about this before," he said.

The vote came after lengthy discussion and two other plans were rejected.

The PUC had given preliminary approval to a plan that would have assigned a new 952 code to Minneapolis, Richfield and the Fort Snelling area, while allowing western suburbs to retain the 612 code that for years covered a large area in central Minnesota.

But the Minneapolis City Council passed a resolution last month urging the PUC to allow the city to keep the 612 code, and several council members took that message to the commission at a public hearing. Among them was former council member Steve Minn, now state public service commissioner.

At Monday's hearing, the Public Service Department presented a plan to retain the 612 code for Minneapolis while giving a new 952 code to the western suburbs.

But Commissioner Leroy Koppendrayer said that plan might have political problems, because the suburbs were never presented with the idea of a new area code when the commission held public hearings last month. He

"If we've learned anything, it's that people care about their area codes."

— Edward Garvey,
commission chairman

said a small turnout at an Eden Prairie hearing probably stemmed from the fact that the commission had said the suburbs would keep the 612 code.

"The Department [of Public Service] probably wasn't concerned about the politics of this, but it just blows me away," he said.

U S West and other companies promoted an "overlay" plan.

Under that option, current 612 customers would keep the 612 code and new customers in the 612 area would get the 952 code. The 952 area would be, in effect,

a layer of numbers on top of the current 612 geographic area.

When the supply of 952 numbers was exhausted, additional area codes could be imposed on top of 952. It would mean that everyone in the 612 area, whether using the 612 or 952 area code, would have to dial 10 digits.

Greg Saville, representing U S West, said he understood the concern people had about dialing 10 digits, but the overlay system would mean the least hassle for the most people.

He said it would require no changes for U S West's 1 million customers in the 612 area and would affect only new customers.

"If we've learned anything, it's that people care about their area codes," Chairman Edward Garvey said.

However, another commissioner said he was baffled by the public reaction to the proposed change. "I don't believe the emotional attachment to area codes,"

Commissioner Greg Scott said.

The commission voted 5-0 to scrap its earlier recommendation to give a new 952 code to Minneapolis and allow the suburbs to keep 612.

But then the body had difficulty settling on a compromise solution.

The commission voted 3-2 against the overlay plan. On an identical vote, it defeated the option presented by the Department of Public Service that would have allowed Minneapolis to keep the 612 code and give the new 952 code to the western suburbs.

Ultimately, the third option prevailed, letting Minneapolis retain its identity with the 612 code and giving the western suburbs 952 and another new code.

"It's a tough call," AT&T district manager Mary Jane Rasher said of the commission's decision. "I'm glad it's not my call. It's painful for everybody."

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

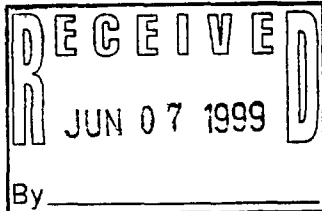
Edward A. Garvey
Joel Jacobs
Marshall Johnson
LeRoy Koppendrayner
Gregory Scott

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Relief Plan for the Exhaust
of the 612 Area Code

ISSUE DATE: June 4, 1999

DOCKET NO. P-999/M-97-506



ORDER CONFIRMING APRIL 6, 1999
DECISION, WITH MODIFICATION AND
FURTHER CLARIFICATIONS

PROCEDURAL HISTORY

On April 6, 1999, the Commission issued its ORDER AFTER RECONSIDERATION in the above-captioned matter. In that Order, the Commission modified its previous December 15, 1998 Order determining Phase II of the (612) area code relief plan. The Commission decided that Minneapolis, Fort Snelling, St. Anthony, and Richfield would retain the (612) area code in the Phase II split. The remainder of the (612) area would be split into two sections and assigned two area codes. One area code would be assigned to the suburbs north and west of Minneapolis, down to approximately I-394; the other code would be assigned to the suburbs south and west of Minneapolis, up to approximately I-394. The line between the northern and southern areas would be drawn along municipal boundaries for the most part. However, in the less urbanized area west of the boundary between Medina and Long Lake/Orono, the two sections would be divided along wire centers.

The Commission also made the following decisions in the April 6, 1999 Order:

- the permissive dialing period for Phase II would begin December 1, 1999
- wireless service providers could choose to retain their current (612) prefixes, and, if they wish, obtain prefixes in the two new area codes--regardless of location of the wireless providers' switches (a pattern known as wireless grandparenting)
- subscribers in Braham and Lonsdale would continue to seven-digit dial to their respective EAS partners in Cambridge and Webster/New Market (although ten-digit dialing would remain permissive)
- subscribers in Cambridge and Webster/New Market would ten-digit dial to their respective EAS partners in Braham and Lonsdale
- US WEST was required to respond to the Metropolitan 911 Board's questions regarding effects of area code relief on the 911 system, and to work especially closely with the Metropolitan 911 Board during the implementation of further area code relief

- Minn. Rules, part 7829.3000, would be varied to allow parties to request reconsideration of the Order

On April 23, 1999, the North American Numbering Plan (NANPA) filed a response on behalf of the Minnesota Telecommunications Industry. NANPA submitted exhaust projections for the three areas into which the Commission would divide the (612) area under the April 6 plan:

612 area code	5.8 years
Northern Suburbs area	18.9 years
Southern Suburbs area	13.6 years

NANPA noted that the exhaust projections would be different if wireless providers were not "grandparented," as the Commission had ordered. Without wireless grandparenting, the exhaust projections would be as follows:

612 area code	6.8 years
Northern Suburbs area	17.5 years
Southern Suburbs area	13.2 years

On April 23, 1999, the Minnesota Burglar and Fire Alarm Association, Inc. and Honeywell, Inc. (a burglar and fire alarm provider) filed requests for reconsideration. The burglar and fire alarm companies asked the Commission to extend the permissive dialing period for at least 18 months to allow the companies sufficient time to reprogram customer alarms for the new area codes.

On April 26, 1999, MCI WorldCom (MCIW), Contel of Minnesota, Inc. d/b/a GTE Minnesota (GTE), Sprint Spectrum L.P. (Sprint), AT&T Communications of the Midwest, Inc. (AT&T), and US WEST Communications, Inc. (US WEST) filed petitions for reconsideration of the April 26, 1999 Order. Each of these petitioners asked the Commission to reconsider its geographic split decision and to choose instead an overlay approach. MCIW also asked the Commission to discontinue wireless grandparenting of assigned prefixes, or to grandparent MCIW if wireless grandparenting were continued. US WEST asked the Commission to grant the company the recovery of costs associated with implementing a geographic split, and to minimize Y2K problems by postponing commencement of the permissive dialing period to February 15, 2000. GTE asked the Commission to reconfigure the area code boundary along wire center boundaries in one instance to incorporate into the Maple Plain exchange two GTE customers who reside within the municipal limits of Long Lake/Orono.

On May 3, 1999, the Bloomington Chamber of Commerce's Board of Directors filed a letter supporting the overlay approach and requesting further hearings regarding (612) area code relief.

On May 6, 1999, the Department of Public Service (the Department) filed a reply to the requests for reconsideration. The Department supported postponing the start of the permissive dialing period until February 15, 2000; extending the permissive dialing period for certain prefixes used by the burglar and fire alarm industry; and granting GTE's request for boundary

relief for its Orono customers. The Department recommended two further central office (CO) code conservation measures: 1) require telephone companies to provide NANPA an exhaust analysis of the entire rate center with any request for assignment of a CO code; and 2) require telephone companies requesting a CO code to provide an analysis of need to the Department. The Department recommended requiring US WEST to pursue any cost recovery request in the company's AFOR proceeding. Although the Department did not request reconsideration, the Department recommended adoption of a two-way geographic split if the Commission decided to reconsider its previous decision.

The Department supplied the following exhaust projections for the three-way geographic split along municipal boundaries: 9.3 years for the Minneapolis core; 19.0 years for the Northern Suburbs area code; 16.0 years for the Southern Suburbs area code. The Department predicted an exhaust in the overlay situation in 10.0 years.

On May 6, 1999, US WEST filed its reply to the motions for reconsideration. US WEST continued to advocate the overlay solution for (612) area code relief.

On May 7, 1999, the Suburban Rate Authority (SRA) filed a reply to the requests for reconsideration. The SRA recommended that the Commission reject the requests for reconsideration of the Commission's three-way geographic split decision. The SRA supported GTE's request to draw the area code boundary line along the Maple Plain wire center boundary, *if* the limited nature of the requested relief is borne out by further factual review.

On May 17, 1999, the Shakopee Area Chamber of Commerce & Convention & Visitors Bureau filed a letter supporting the overlay method.

On May 19, 1999, the matter came before the Commission for consideration. At the meeting, Carlson Companies asked the Commission to allow them to keep the 10,000-number "212" prefix assigned to the Carlson Center campus in a single area code.¹ The Carlson campus, the company's worldwide headquarters, is located in Plymouth and Minnetonka, on both sides of the proposed boundary between the new northern and southern area codes. Carlson Companies did not state a preference for the northern or southern area code. The company emphasized that it needed a single area code to preserve corporate identity for its far-flung international customers and affiliates and to avoid confusion over which area code to dial when calling a Carlson Companies employee.

At the May 19 meeting, the NANPA representative modified NANPA's exhaust projections slightly. After considering the latest information, NANPA changed its projected exhaust for the 612 area code (Minneapolis) from 5.8 years to 4.3 years. All other projections, including the estimate of 5.9 years for an overlay, remained the same. The NANPA representative also stated that NANPA would grant the Commission's request for two new area codes, if the Commission decided to remain with the three-way geographic split after reconsideration.

¹ The Carlson Companies are currently using approximately 8,000 of the 10,000 reserved "212" numbers.

FINDINGS AND CONCLUSIONS

I. INTRODUCTION AND SUMMARY OF THE ORDER

In Part II of this Order the Commission addresses various parties' requests for reconsideration of the April 6, 1999 decision establishing a three-way geographic split along municipal boundary lines. The Commission determines that the major premise of that Order should be confirmed.

Having determined/confirmed the basic structure of relief for the (612) area code, the Commission in the remainder of the Order addresses various issues raised by the parties to this proceeding: commencement of the permissive dialing period; extended permissive dialing for burglar and fire alarm companies; GTE's request for the area code boundary to follow the Maple Plain wire center line in one instance; the Department's number conservation recommendations; and Carlson Companies' request for a single area code.

II. THE REQUESTS FOR RECONSIDERATION OF THE COMMISSION'S DECISION TO SET A THREE-WAY GEOGRAPHIC SPLIT ALONG MUNICIPAL BOUNDARIES

A. Comments of the Parties

US WEST, MCIW, GTE, Sprint, and AT&T asked the Commission to reconsider its April 6, 1999 decision and to order the overlay method of area code relief.

The Department asked the Commission, if it decided to reconsider its previous decision, to adopt a two-way geographic split.

B. Commission Action

In its April 6, 1999 Order, the Commission carefully examined the three-way geographic split in light of the decision criteria the Commission has developed over the course of its dealings with area code relief. The Commission found that the three-way geographic split provides the greatest possible relief for pending area code exhaust with the least disruption and confusion for consumers and the least adverse effect on competitive providers. The Commission determined that the three-way split plan was preferable to either the overlay method or a two-way geographic split.

Because it was not clear if NANPA would grant two new area codes, and because the Commission recognized that technology and industry practice are changing with amazing speed, the Commission allowed the unusual step of a second reconsideration period in this proceeding. The Commission waived its rule limiting proceedings to one reconsideration to allow the parties a second opportunity to present their latest information, data, and opinions.

Having carefully considered the parties' second set of reconsideration filings, the Commission finds nothing to persuade it that the April 6, 1999 decision was incorrect. The Commission remains convinced that a three-way, municipally-drawn geographic split will preserve community identity, allow competitive neutrality, and accommodate long-term stability. Significantly, the three-way geographic split, according to US WEST's latest calculations, will retain seven-digit dialing for nearly half the calls in the (612) area. This is a vast number of calls; absent any persuasive reason, the Commission is unwilling to convert them to ten-digit calls in the overlay scheme.

The three-way geographic split will mean that sufficient numbers have been secured for the foreseeable future for the new Northern Suburbs area, the new Southern Suburbs area, and St. Paul's (651) area code. Further number relief--whether through another split or an overlay--may eventually prove necessary for Minneapolis, which NANPA and the Department project to exhaust in 4.3 to 9.3 years. (A very real possibility exists, however, that vigorous number conservation efforts may delay or obviate that possibility.) Even if an overlay were eventually chosen for Minneapolis, the limited size and distinct nature of the overlaid area would still preserve the overall Minneapolis/St. Paul metropolitan area geographic identity. This identity would be irreversibly lost if an overlay were currently applied to the entire (612) area.

Because the Commission remains convinced of the merits of the three-way geographic split, and because the parties have produced no new argument or fact to persuade the Commission from its position, the Commission will deny the parties' requests for reconsideration. The Commission will reaffirm the findings, conclusions, and reasoning of its April 6, 1999 Order, with one modification: delaying the start of the permissive dialing period (see part III below). The April 6, 1999 Order remains unchanged and reaffirmed in every other respect.²

III. COMMENCEMENT OF THE PERMISSIVE DIALING PERIOD

A. Comments of the Parties

US WEST and MCIW asked the Commission to delay commencement of the permissive dialing period for Phase II until at least February 15, 2000 to avoid problems associated with Y2K. US WEST noted that its information systems personnel are already taxed dealing with the company's Y2K remediation; compounding this effort with the implementation of a new area code dialing pattern could compromise both programs.

The Department supported US WEST's and MCIW's requests to delay implementation of a permissive dialing period for Phase II of area code relief.

² The April 6, 1999 Order (itself an Order after reconsideration) also waived the Commission's reconsideration rules to allow the parties a second reconsideration period. By reaffirming the April 6, 1999 Order, the Commission does not intend to renew the reconsideration provision. This Order is the Commission's final Order.

The Commission will comply with the requests and order the permissive dialing period for Phase II to commence after February 15, 2000.³ The Commission recognizes that the telecommunications industry is working hard to prevent Y2K service interruptions. Avoiding a convergence of technological issues at the beginning of the millennium justifies a short delay in rolling out Phase II implementation.

IV. EXTENDED PERMISSIVE DIALING FOR BURGLAR AND FIRE ALARM COMPANIES

A. Comments of the Parties

The burglar and fire alarm industry asked the Commission to provide the industry with a permissive dialing period of at least 18 months beyond the planned termination of the Phase II permissive dialing period (i.e. beyond January, 2001). The burglar and fire alarm industry's permissive dialing period would thus extend to approximately July, 2002.

Although the burglar and fire alarm industry had not yet approached US WEST, the industry expected the need for an extended permissive dialing period to apply only to the approximately 20 US WEST prefixes the industry currently uses for alarm monitoring. The burglar and fire alarm industry argued that it needed a significantly extended permissive dialing period because the sheer number of customers in the western suburbs raises more complicated problems than those encountered in Phase I's (651) St. Paul area.

US WEST did not oppose the concept of an extended permissive dialing period for the alarm industry, but did point out that other industries also face implementation issues and that other local carriers would also need to cooperate with the alarm industry. US WEST promised to work with the burglar and fire alarm industry to address permissive dialing issues.

B. Commission Action

The Commission understands that the burglar and fire alarm industry needs sufficient time to reprogram alarms to accommodate number changes without compromising customer safety. However, the Commission is unconvinced that the burglar and fire alarm industry needs nearly three years to finish reprogramming its customers' alarms. The Commission will therefore grant the burglar and fire alarm industry an extended permissive dialing period of up to 10 months beyond the end of the original Phase II permissive dialing period. The alarm industry, US WEST, any other involved local carriers, and the NANPA should work together to identify the central office codes for which the dialing period must be extended, and to implement the necessary extension.

³ The final date for commencement of the Phase II permissive dialing period has not yet been determined.

V. GTE'S REQUEST FOR RECONSIDERATION

A. Comments of the Parties

GTE explained that its Maple Plain exchange lies mostly within the municipality of Independence, which will be in the new Northern Suburbs area code. However, the Maple Plain exchange extends slightly into the municipalities of Long Lake/Orono, which will be in the new Southern Suburbs area code. As a result, six⁴ GTE customers in Long Lake/Orono who are served out of the Maple Plain exchange would be assigned the southern area code. GTE would be required to obtain a duplicate office code in the southern area code to serve the six customers, an expensive procedure that would contribute unnecessarily to CO code exhaust. GTE asked that the boundary line between the Northern Suburbs and the Southern Suburbs follow the Maple Plain wire center boundary in one instance, so that the six Long Lake/Orono customers, along with the rest of the Maple Plain exchange customers, are included in the Northern Suburbs area code.

No party opposed GTE's request. The Department supported GTE.

B. Commission Action

The Commission will grant GTE's request to draw the area code boundary line along Maple Plain's wire center boundary to include the six Long Lake/Orono customers in the Northern Suburbs area code. This slight deviation from the general municipal boundary scheme is justified by the reduction in cost, confusion, and CO code use.

VI. THE CARLSON COMPANIES' REQUEST

A. Comments of the Parties

The Carlson Companies asked to be assigned a single area code, whether the new Northern Suburbs area code or the new Southern Suburbs area code, for its entire world headquarters campus. Without such relief, the campus site, located partially in the northern area and partially in the southern, would receive two area codes. The company argued that it needed a single area code to avoid the loss of its corporate identity--a significant issue for its thousands of employees, affiliates, and customers in 142 countries.

No party opposed Carlson's request. The SRA, a strong advocate of municipal boundary lines, supported Carlson's petition because of the company's unique need. The Minnesota Business Utility Users Council (MBUUC) stated that Carlson Companies should be granted a single area code in order to maintain its corporate identity in an international business environment.

⁴ At the time GTE filed its petition for reconsideration, the company believed two Orono customers were affected by this boundary situation. By the time of the Commission meeting, the company's investigation had revealed six affected Orono customers.

B. Commission Action

Carlson Companies has asked for relief from the Commission's general scheme basing area code relief on municipal boundaries. The Commission must examine closely any request for exceptional area code treatment; indiscriminate modifications to the area code plan would significantly dilute the benefits of municipal boundary area code relief.

In this case, Carlson Companies has presented a strong case for area code boundary relief. The company employs over 3,000 people in its world headquarter campus spread over portions of two suburbs (and hence, two future area codes). Carlson Companies' travel services, hotel chains, and other businesses are focused internationally, with significant presences in over 100 countries. Granting Carlson Companies a single area code will benefit the company in two ways: parties will not need to look up area codes when they dial one of Carlson's 3,000 employees; and overseas employees and customers will remain connected to a single corporate identity through dialing patterns.

In this particular set of facts, the significant benefits to the company outweigh any slight erosion of the municipal boundary concept. The Commission notes that the boundary will only be adjusted for this particular company by granting its request to keep its "212" prefix numbers in a single area code; residents and other businesses located in the Carlson Companies' vicinity (but using different prefixes) will not lose their municipal identity.

For these reasons, the Commission will grant Carlson Companies' request to retain its "212" prefix numbers in a single area code. Whether that area code will be the Northern or Southern Suburbs area code is yet to be determined.

VII. THE DEPARTMENT'S NUMBER CONSERVATION RECOMMENDATIONS

A. Comments of the Parties

The Department stated that efficient and fair number utilization could significantly slow or eliminate the need for future area code relief. The Department noted that the Commission had previously ordered rate center consolidation of the metropolitan area to eliminate the need for multiple prefix assignments to competitive local exchange carriers (CLECs) entering the area. The Department recommended that the Commission order two more number conservation initiatives.

The Department recommended that a company (including an incumbent LEC) requesting a new CO code be required to submit to the NANPA an exhaust analysis of the company's current available CO codes for the entire rate center. The Department believed that such a requirement would ensure that central office codes are assigned for true need.

The Department also noted that providers currently self-certify their need for an additional CO code. The requesting provider must state that it will exhaust its existing prefixes within one year, or, in a jeopardy allocation situation, within six months. The Department recommended that the Commission require a provider to submit its request for an additional CO code, along with its analysis of need, to the Department. The Department would review the requests to ensure they were legitimate. The Department did not recommend that the Commission review or approve each code application; presumably, the Department would only bring an irregularity to the Commission's attention.

In general, members of the industry recommended that the Commission allow the FCC to address number conservation issues on a national basis. Telecommunications representatives noted that the FCC is, or will soon be, addressing such conservation efforts as thousand block number pooling and unassigned number porting.

B. Commission Action

The Commission appreciates the Department's efforts to initiate creative solutions to number exhaust issues. The Commission agrees with the Department that number conservation must be a mainstay of any fair and long-lasting number relief plan.

At the May 19 meeting, the Commission noted that other parties had not had an opportunity to comment on the Department's two number conservation recommendations. The Department agreed to bring its number conservation recommendations before the Commission in a future meeting, so that parties and the Commission will have the opportunity to give them due consideration.

For these reasons, the Commission will not act on the Department's number conservation recommendations at this time.

VIII. US WEST'S REQUEST FOR COST RECOVERY

A. Comments of the Parties

US WEST stated that its costs to implement a Phase II three-way municipal boundary split would total approximately \$30 million. In contrast, an overlay solution would cost the company approximately \$3.5 million. According to US WEST, its position as the main local provider in the subject area causes it to shoulder the major portion of implementation costs. US WEST argued that the high cost of a three-way municipal boundary split would cause the company significant financial and competitive harm.

US WEST asked the Commission to allow US WEST to recover the costs associated with the geographic split from residential and business customers in the current (612) area.

The Department opposed US WEST's request for cost recovery. The Department noted that US WEST had found creative solutions to Phase I implementation, eventually completing the project at a cost much lower than it had projected. The Department believed that a Commission guarantee of cost recovery would remove US WEST's incentive to find cost-saving methods for Phase II implementation.

The Department stated that US WEST should pursue any cost recovery issues by filing an appropriate petition in the company's alternative regulation plan docket, P-421/AR-97-1544.⁵

⁵ In the Matter of a Petition by US WEST Communications, Inc. Requesting Approval of an Alternative Regulation Plan.

B. Commission Action

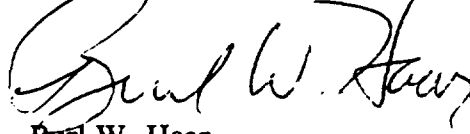
The Commission agrees with the Department that US WEST must pursue any cost recovery theory in the context of its alternative regulation plan docket. US WEST's plan, which the Commission approved with modifications in December, 1998, governs issues of price and rate recovery for the company. Only in the context of that proceeding could the parties, the Department, and the Commission fully explore US WEST's request for rate recovery for area code implementation costs.

The Commission will not grant US WEST's request for recovery of its area code implementation costs in this proceeding. US WEST is free to petition for Commission consideration of those costs under its alternative regulation plan.

ORDER

1. The Commission reaffirms its April 6, 1999 Order, with one modification: the permissive dialing period for Phase II will begin after February 15, 2000.
2. The permissive dialing period for the burglar and fire alarm industry may extend for up to ten months past the planned termination of the Phase II permissive dialing period. The alarm industry, US WEST, any other involved local carriers, and the NANPA should work together to identify the central office codes for which the dialing period must be extended, and to implement the necessary extension.
3. The Commission grants GTE's request to draw the area code boundary line along Maple Plain's wire center boundary as described in this Order.
4. The Commission denies US WEST's request for recovery of implementation costs in this docket.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary

(S E A L)

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